

LOUISIANA MOTOR VEHICLE COMMISSION  
OFFICE OF THE GOVERNOR  
STATE OF LOUISIANA

FINANCIAL STATEMENTS WITH  
SUPPLEMENTARY INFORMATION

JUNE 30, 2014

LOUISIANA MOTOR VEHICLE COMMISSION  
OFFICE OF THE GOVERNOR  
STATE OF LOUISIANA

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## INDEPENDENT AUDITOR'S REPORT

August 14, 2014

Board of Commissioners  
Louisiana Motor Vehicle Commission  
Metairie, LA 70002

We have audited the accompanying financial statements of the Louisiana Motor Vehicle Commission (the Commission), a component unit of the State of Louisiana, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements as listed in the table of contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

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Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Louisiana Motor Vehicle Commission as of June 30, 2014, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### ***Other Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Commission's financial statements as a whole. The budgetary comparison information, schedule of commissioners' per diem and the annual financial report, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The budgetary comparison information, schedule of commissioners' per diem and the annual financial report are the responsibility of management and were derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2014 on our consideration of the Commission's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Commission's internal control over financial reporting and compliance.

***Duplantier, Hrapmann, Hogan & Maher, LLP***

LOUISIANA MOTOR VEHICLE COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2014

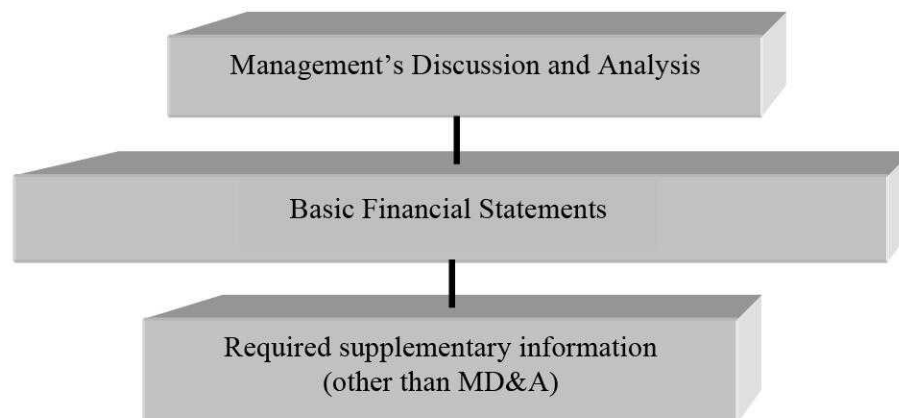
The Management's Discussion and Analysis of the Louisiana Motor Vehicle Commission's financial performance presents a narrative overview and analysis of the Commission's financial activities for the year ended June 30, 2014. This document focuses on the current year's activities, resulting changes and currently known facts in comparison with the prior year's information. Please read this document in conjunction with the additional information contained in the Commission's financial statements.

**Financial Highlights:**

- \* The Commission's assets exceeded its liabilities at the close of fiscal year 2014 by \$1,326,983. This represents an increase to net assets of \$538,083 or 68% compared to the prior year.
- \* The Commission's operating revenue increased from \$2,427,581 to \$2,637,978 for an increase of \$210,397 or 8.67%. This is primarily due to an increase in the number of licenses issued and the Commission converting the majority of its licensees to a two-year license period. The conversion is being phased in over prior year and the current fiscal year as licenses are renewed. Net results from activities increased from a gain of \$451,177 to a gain of \$538,083 for an increase of \$86,906 or 19.26%. This is primarily due to the increase in revenues.

**Overview of the Financial Statements:**

The following graphic illustrates the minimum requirements for Special Purpose Governments Engaged in Business-Type Activities established by Governmental Accounting Standards Board Statement 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*.



These financial statements consist of three sections – Management's Discussion and Analysis (this section), the Basic Financial Statements (including the notes to the financial statements) and Required Supplementary Information.

LOUISIANA MOTOR VEHICLE COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2014

***Basic Financial Statements***

The basic financial statements present information for the Commission as a whole in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position, the Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows.

The Statement of Net Position presents the assets and liabilities separately. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the Commission is improving or deteriorating.

The Statement of Revenues, Expenses and Changes in Net Position presents information showing how the Commission's assets changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

The Statement of Cash Flows presents information showing how the Commission's cash changed as a result of current year operations. The cash flow statement is prepared using the direct method and includes the reconciliation of operating income (loss) to net cash provided (used) by operating activities as required by GASB 34.

**Financial Analysis of the Entity**

The following is a summary of the Statement of Net Position:

Condensed Statement of Net Position  
As of June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>	<u>Change</u>
Current assets	\$ 3,087,670	\$ 2,451,915	\$ 635,755
Capital asset	<u>375,824</u>	<u>387,748</u>	<u>(11,924)</u>
Total assets	<u>3,463,494</u>	<u>2,839,663</u>	<u>623,831</u>
Current liabilities	1,783,968	1,718,867	65,101
Long-term liabilities	<u>352,543</u>	<u>331,896</u>	<u>20,647</u>
Total liabilities	<u>2,136,511</u>	<u>2,050,763</u>	<u>85,748</u>
Net position:			
Net investment in capital assets	375,824	387,748	(11,924)
Unrestricted	<u>951,159</u>	<u>401,152</u>	<u>550,007</u>
Total net position	<u>\$ 1,326,983</u>	<u>\$ 788,900</u>	<u>\$ 538,083</u>

LOUISIANA MOTOR VEHICLE COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2014

The net position of the Commission increased by \$538,083 or 68%, from the previous year. This increase was more than the prior year increase in net position as there was an increase in the number of licenses issued during the year.

The following is a summary of the Statement of Revenues, Expenses and Changes in Net Position:

Condensed Statement of Revenues, Expenses and Changes in Net Position  
For the Year Ended June 30, 2014 and 2013

	<u>2014</u>	<u>2013</u>	<u>Change</u>
Operating revenues	\$ 2,637,978	\$ 2,427,581	\$ 210,397
Operating expenses	<u>2,100,973</u>	<u>1,977,596</u>	<u>123,377</u>
Operating income	537,005	449,985	87,020
Non-operating revenues	<u>1,078</u>	<u>1,192</u>	<u>(114)</u>
Change in net position	<u>\$ 538,083</u>	<u>\$ 451,177</u>	<u>\$ 86,906</u>

The Commission's total operating revenues increased by \$210,397 or 8.67%. The total cost of all programs and services increased by \$123,377 or 6.24%.

### Capital Assets and Debt Administration

#### *Capital Assets*

As of June 30, 2014, the Commission had \$375,824 invested in capital assets, including office furniture and equipment, building and building improvements, automobiles and land. This amount represents a net decrease of \$11,924 or 3.08%, over last year. The decrease in capital assets was a result of capital asset additions of \$18,371 which was offset by depreciation expense of \$30,295.

#### *Debt*

The Commission has long-term liabilities totaling \$352,543 consisting of annual leave outstanding and other post-employment benefits payable at year-end. The obligations increased from \$331,896 for an increase of \$20,647 or 6.22%. Long-term liabilities increased primarily because of the increase in the other post-employment benefits payable.

LOUISIANA MOTOR VEHICLE COMMISSION  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2014

Variations Between Actual and Budget Amounts

Revenues exceeded budgeted amounts by \$237,356 during the year ended June 30, 2014. This favorable revenue budget variance was primarily due to an increase in the number of licenses issued during the year.

Economic Factors and Next Year's Budget

The Commission's officials considered the following factors and indicators when approving next year's budget:

- \* Revenues from license renewals.
- \* Continued efforts on maintaining and controlling operating costs.

Contacting the Commission

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the Commission's finances and to show the Commission's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Louisiana Motor Vehicle Commission at 3519 12<sup>th</sup> Street, Metairie, Louisiana 70002.

LOUISIANA MOTOR VEHICLE COMMISSION  
STATEMENT OF NET POSITION  
JUNE 30, 2014

## ASSETS

## Current Assets:

Cash and cash equivalents	\$ 64,600
Investments:	
Repurchase Agreement	2,623,070
Certificate of Deposit	<u>400,000</u>
Total investments	3,023,070
Capital assets, net of depreciation	<u>375,824</u>
Total Assets	<u>3,463,494</u>

## LIABILITIES

## Current Liabilities:

Accounts payable	51,197
Unearned revenues	1,649,830
Payroll liabilities	37,733
Compensated absences	<u>45,208</u>
Total Current Liabilities	1,783,968

## Long-term Liabilities:

Compensated absences	4,304
Other post employment benefits	<u>348,239</u>
Total Long-term Liabilities	352,543
Total Liabilities	<u>2,136,511</u>

## NET POSITION

Net investment in capital assets	375,824
Unrestricted	<u>951,159</u>
Total Net Position	<u>\$ 1,326,983</u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA MOTOR VEHICLE COMMISSION  
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2014

## OPERATING REVENUES:

Licenses, permits, and fees	\$ 2,280,324
Fines and penalties	356,674
Miscellaneous income	980
Total operating income	<u>2,637,978</u>

## OPERATING EXPENSES:

Salaries and related benefits	1,338,850
Professional services	506,362
Operating services	131,882
Materials and supplies	47,238
Travel and other charges	46,346
Depreciation	30,295
Total operating expenses	<u>2,100,973</u>

Operating income	<u>537,005</u>
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## NON-OPERATING REVENUES:

Interest income	<u>1,078</u>
Total non-operating revenues	<u>1,078</u>

Change in net position	538,083
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Net Position, Beginning of Year	<u>788,900</u>
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Net Position, End of Year	<u><u>\$ 1,326,983</u></u>
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The accompanying notes are an integral part of these financial statements.

LOUISIANA MOTOR VEHICLE COMMISSION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2014

Cash flows from operating activities:	
Cash received from licenses, permits and fees	\$ 2,681,364
Cash payments for salaries and related benefits	(1,303,650)
Cash payments to suppliers for good and services	(725,646)
Cash received from other operating revenues	980
Net cash provided by operating activities	<u>653,048</u>
Cash flows from financing activities:	
Purchases of capital assets	<u>(18,371)</u>
Net cash used in financing activities	<u>(18,371)</u>
Cash flows from investing activities:	
Interest on investments	1,078
Purchases of investments	<u>(610,647)</u>
Net cash used in investing activities	<u>(609,569)</u>
Net increase in cash and cash equivalents	25,108
Cash and cash equivalents, beginning of year	<u>39,492</u>
Cash and cash equivalents, end of year	<u>\$ 64,600</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 537,005
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	30,295
Changes in assets and liabilities:	
Accounts payable	6,182
Unearned revenue	44,366
Payroll liabilities	13,142
Compensated absences due within one year	1,411
Compensated absences greater than one year	3,596
Other postemployment benefits	17,051
Net cash provided by operating activities	<u>\$ 653,048</u>

The accompanying notes are an integral part of these financial statements.

LOUISIANA MOTOR VEHICLE COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Louisiana Motor Vehicle Commission (the Commission) is a component unit of the State of Louisiana created under the provisions of Louisiana Revised Statute 32:1251 et seq. and 6:969.1 et seq. The Commission consists of fifteen members appointed by the Governor. The Commission is charged with the responsibility of regulating all areas of the new car and recreational vehicle industries, including motor vehicle sales finance companies, operating in Louisiana. Operations of the Commission are funded with license fees, fines and interest earnings.

Financial Reporting Entity

GASB Statement No. 14, as amended by GASB No. 39, established criteria for determining the governmental reporting entity and which component units should be considered part of the Commission for financial reporting purposes. The Commission is considered a component unit of the State of Louisiana because the state exercises oversight responsibility in that the Governor appoints the Commission members and public service is rendered within the state's boundaries. Annually, the State of Louisiana issues basic financial statements, which includes the activity contained in the accompanying financial statements. The Commission has no component units.

Basis of Presentation

The accompanying general purpose financial statements of the Commission have been prepared in conformity with accounting principles generally accepted in the United States as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

During the year ended June 30, 2013, the Commission adopted the provisions of GASB Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*. GASB Statement No. 63 provided financial reporting guidance for deferred outflows of resources and deferred inflows of resources and also redefined the residual of all other elements presented in a statement of financial position as net position.

Basis of Accounting

The financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of the related cash flows.

LOUISIANA MOTOR VEHICLE COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

The Commission uses the following practices in recording revenues and expenses:

Revenues

Revenues are recognized using the full accrual basis of accounting; therefore, revenues, including license fees, interest and other revenues of the Commission, are recognized in the accounting period in which they are earned and become measurable. Operating revenues consist of all revenues except investment income and gains on the disposal of equipment.

Expenses

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable. Operating expenses consist of all expenses except investment expenses and losses on the disposal of equipment.

Budgets and Budgetary Accounting

Annually, the Commission adopts a budget as prescribed by Louisiana Revised Statute 39:1331-1342. The budget for the fiscal year ended June 30, 2014 was adopted November 20, 2012 and amended May 1, 2014 and is prepared and reported using the same accounting procedures and practices that are used in preparing the annual financial statements. The Commission reserves all authority to make changes to the budget. Budgeted amounts in the accompanying financial statements include the original budget and all subsequent amendments. All budgeted amounts which are not expended or obligated through contracts lapse at year end.

Cash, Cash Equivalents and Investments

Cash and cash equivalents included amounts in demand deposits and certificates of deposit with an original maturity of ninety days or less when purchased. Certificates of deposits with an original maturity of greater than ninety days when purchased are categorized as investments. Under State law, the Commission may deposit funds in demand deposits, interest bearing demand deposits, money market accounts or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

LOUISIANA MOTOR VEHICLE COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Capital Assets

Capital assets are recorded at cost, if purchased or constructed. Assets acquired through donations are capitalized at their estimate fair value, if available, or at estimated fair value or cost to construct at the date of the donation. The Commission capitalizes capital asset purchases in excess of \$1,000. Assets are depreciated using the straight-line method over the useful lives of the assets as follows:

Office furniture and equipment	5 years
Automobiles	5 years
Office building and improvement	40 years

Compensated Absences

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits. Compensated absences are recognized as an expense and liability in the financial statements when incurred.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

2. CASH:

As of June 30, 2014, the Commission had cash deposits with financial institutions totaling \$64,600. Deposits in bank accounts are stated at cost, which approximates market. Under State law, these deposits must be secured by federal deposit insurance or collateralized by the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. As of June 30, 2014, the Commission had \$87,818 in deposits (bank balances), all of which was insured by the Federal Deposit Insurance Corporation.

LOUISIANA MOTOR VEHICLE COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

3. INVESTMENTS:

The Commission has the authority to invest in time deposits and repurchase agreements, which are fully collateralized by securities backed by the United States Government or are fully insured by federal deposit insurance. As of June 30, 2014, the Commission's investments consisted of certificates of deposit with an original maturity exceeding 90 days and repurchase agreements. The Commission had a repurchase agreement with a fair value of \$2,623,070 as of June 30, 2014. The repurchase agreement was secured by underlying collateral with a fair value of approximately 103% of the fair value of the repurchase agreement. The yield on the repurchase agreement was 2 basis points during the fiscal year ended June 30, 2014. The Commission held investments in certificates of deposit in the amount of \$400,000 as of June 30, 2014, which were either secured by federal deposit insurance or were collateralized by the pledge of securities that were held in the name of the Commission.

4. CAPITAL ASSETS:

The following is a summary of changes in capital assets during the period from July 1, 2013 to June 30, 2014:

	<u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2014</u>
Furniture and equipment	\$ 364,084	\$ 5,371	\$ (65,885)	\$ 303,570
Automobiles	78,795	-	-	78,795
Buildings and improvements	410,090	13,000	-	423,090
Land	97,200	-	-	97,200
Less: accumulated depreciation	<u>(562,421)</u>	<u>(30,295)</u>	<u>65,885</u>	<u>(526,831)</u>
Capital Assets, net	<u>\$ 387,748</u>	<u>\$ ( 11,924)</u>	<u>\$ -</u>	<u>\$ 375,824</u>

Depreciation expense for the year ended June 30, 2013 was \$30,295.

5. UNEARNED REVENUES:

As of June 30, 2014, the Commission had unearned revenues totaling \$1,649,830. This represents revenue that has been received; however, a portion or all of the license period extends into the subsequent year. Accordingly, the portion of the revenue associated with the unexpired portion of the license was unearned.

LOUISIANA MOTOR VEHICLE COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

6. PENSION PLAN:

Substantially all of the employees of the Commission are members of the Louisiana State Employees Retirement System (LASERS), a single-employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees.

All full-time employees are eligible to participate in LASERS unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the Governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service. Members hired prior to July 1, 2006 are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service. Retirement eligibility for members hired after July 1, 2006 is limited to age 60, or thereafter, and upon attainment of ten years of creditable service. Final average compensation for these members is based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees hired before July 1, 2006 are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006, have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The LASERS also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information. LASERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213.

Members are required by state statute to contribute 7.5% of their annual covered salaries if hired before July 1, 2006 and 8.0% of their annual covered salaries if hired after July 1, 2006, and the Commission is required to make employer contributions based on an actuarially determined rate. The employer contribution rate for the fiscal year ended June 30, 2014 was 31.3% of annual covered payroll. The Commission's contribution to the System for the year ended June 30, 2014 was \$195,643.

LOUISIANA MOTOR VEHICLE COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

6. PENSION PLAN: (Continued)

The schedule of actuarially required contribution and percentage contributed for the years ended June 30, 2012 through 2014 is noted below:

<u>Fiscal Year Ended</u>	<u>Schedule of Employer Contributions</u>	
	<u>Actuarial Required Contribution</u>	<u>Percentage Contributed</u>
6/30/2012	\$162,564	93.50%
6/30/2013	185,112	95.10
6/30/2014	225,021	86.94

7. POSTEMPLOYMENT BENEFITS:

Plan Description – The Louisiana Motor Vehicle Commission participates in a fully insured health insurance and life insurance program administered by the Louisiana Office of Group Benefits (OGB).

Medical benefits are provided through the Louisiana Office of Group Benefits (OGB) and involve several statewide networks and one HMO with a premium structure by region. The plan provisions are contained in the official plan documents of the OGB, available at [www.groupbenefits.org](http://www.groupbenefits.org) – “Quick Links” – “Health Plans”. The OGB is a fully insured, multiple-employer arrangement and has been deemed to be an agent multiple-employer plan for financial reporting purposes. The OGB “Medicare Advantage” plan has been assumed to apply to those employees after Medicare eligibility for purposes of this valuation. Medical benefits are provided to employees upon actual retirement.

Life insurance coverage under the OGB program is available to retirees by election and the blended rate (active and retired) is \$0.96 per \$1,000 of insurance. The employer pays 50% of the cost of the retiree life insurance. Since GASB 45 requires the use of “unblended” rates, we have used the 94GAR mortality table described below to “unblend” the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Insurance coverage amounts are reduced at age 65 and again at age 70 according to the OGB plan provisions.

Contribution Rates – Employees do not contribute to their post-employment benefit costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rates are contained in the official plan documents.

LOUISIANA MOTOR VEHICLE COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

7. POSTEMPLOYMENT BENEFITS: (Continued)

Funding Policy – Until 2009, the Louisiana Motor Vehicle Commission recognized the cost of providing post-employment medical and life insurance benefits as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. In 2014 and 2013, the Louisiana Motor Vehicle Commission's portion of health care and life insurance funding cost for retired employees totaled \$78,603 and \$72,781, respectively.

Annual Required Contribution – The Louisiana Motor Vehicle Commission's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Unfunded Actuarial Accrued Liability (UAAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The actuarially computed ARC is as follows:

	<u>2014</u>	<u>2013</u>
Normal cost	\$ 37,943	\$ 36,484
30-year UAL amortization amount	<u>63,616</u>	<u>61,169</u>
Annual required contribution (ARC)	<u>\$ 101,559</u>	<u>\$ 97,653</u>

Net Post-employment Benefit Obligation (Asset) – The table below shows the Louisiana Motor Vehicle Commission's Net Other Post-employment Benefit (OPEB) Obligation for fiscal years ending June 30:

	<u>2014</u>	<u>2013</u>
Net OPEB obligation – beginning of year	\$ 331,188	\$ 311,877
Annual required contribution	101,559	97,653
Interest on Net OPEB Obligation	13,248	12,475
Adjustment to Annual Required Contribution	<u>(19,153)</u>	<u>(18,036)</u>
Annual OPEB cost (expense)	95,654	92,092
Contributions made (retiree cost)	<u>(78,603)</u>	<u>(72,781)</u>
Increase in Net OPEB Obligation	<u>17,051</u>	<u>19,311</u>
Net OPEB Obligation – end of year	<u>\$ 348,239</u>	<u>\$ 331,188</u>

LOUISIANA MOTOR VEHICLE COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

7. POSTEMPLOYMENT BENEFITS: (Continued)

The following table shows the Louisiana Motor Vehicle Commission's annual post-employment benefits cost, percentage of the cost contributed and the net unfunded post-employment benefits liability for the years ended June 30, 2014 and 2013:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2013	\$ 92,092	79.03%	\$ 331,188
June 30, 2014	95,654	82.17	348,239

Funded Status and Funding Progress - The funding status of the plan as of June 30, 2014 was as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) (b)</u>	<u>Unfunded AAL (UAAL) (b-a)</u>	<u>Funded Ratio (a/b)</u>	<u>Covered Payroll (c)</u>	<u>UAAL as a Percentage of Covered Payroll [(b-a)/c]</u>
7/1/2012	\$ --	\$ 1,100,057	\$ 1,100,057	0.0%	\$ 711,047	154.71%
7/1/2013	--	1,144,059	1,144,059	0.0	755,647	151.40

Actuarial Methods and Assumptions – Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan at the time of the valuation and on the pattern of sharing costs between the Louisiana Motor Vehicle Commission and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Louisiana Motor Vehicle Commission and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

LOUISIANA MOTOR VEHICLE COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

7. POSTEMPLOYMENT BENEFITS: (Continued)

Actuarial Cost Method – The ARC is determined using the Projected Unit Credit Cost Method. The employer portion of the cost for retiree medical care in each future year is determined by projecting the current cost levels using the healthcare cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

Actuarial Value of Plan Assets – There are no plan assets.

Turnover Rate – An age-related turnover scale based on actual experience has been used. The rates, when applied to the active employee census, produce a composite average annual turnover of approximately 13%.

Post-Employment Benefit Plan Eligibility Requirements – It is assumed that entitlement to benefits will commence six years after earliest eligibility to enter the Deferred Retirement Option Program (DROP). This consists of a three-year DROP period plus an additional three-year delay. Medical and life insurance benefits are provided to employees upon actual retirement.

Investment Return Assumption (Discount Rate) – GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits (that is, for a plan which is funded). Based on the assumption that the ARC will not be funded, a 4% annual investment return has been used in this valuation.

Health Care Cost Trend Rate – The expected rate of increase in medical costs is based on a grade schedule beginning with 8% annually, down to an ultimate annual rate of 5% for ten years out and later.

Mortality Rate – The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rates, was used.

Method of Determining Value of Benefits – The “value of benefits” has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The OGB medical rates provided are “unblended” rates for active and retired as required by GASB 45 for valuation purposes. For current and future retirees after age 65, it has been assumed that 50% elect the OGB Medicare Advantage program and 50% elect the standard OGB post-65 program.

Inflation Rate – Included in both the Investment Return Assumption and the Healthcare Cost Trend rates above is an implicit inflation assumption of 2.5% annually.

LOUISIANA MOTOR VEHICLE COMMISSION  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014

7. POSTEMPLOYMENT BENEFITS: (Continued)

Projected Salary Increases – This assumption is not applicable since neither the benefit structure nor the valuation methodology involves salary.

Post-retirement Benefit Increases – The plan benefit provisions in effect for retirees as of the valuation date have been used and it has been assumed for valuation purposes that there will not be any changes in the future.

8. LONG-TERM LIABILITIES:

Long-term liabilities during the fiscal year consisted of the long-term portion of accrued annual leave and the ending OPEB liability.

The following is a summary of long-term liabilities of the Commission for the year ended June 30, 2014:

	Balance June 30, <u>2013</u>	<u>Additions</u>	<u>Reductions</u>	Balance June 30, <u>2014</u>	Amounts Due Within <u>One Year</u>
Compensated absences	\$ 44,505	\$ 54,532	\$ (49,525)	\$ 49,512	\$ 45,208
OPEB payable	<u>331,188</u>	<u>17,051</u>	<u>--</u>	<u>348,239</u>	<u>--</u>
Total long-term liabilities	<u>\$375,693</u>	<u>\$71,583</u>	<u>\$ (49,525)</u>	<u>\$397,751</u>	<u>\$45,208</u>

9. DEFERRED COMPENSATION:

Substantially all employees of the Louisiana Motor Vehicle Commission participate in the Louisiana Deferred Compensation Plan adopted under the provisions of the Internal Revenue Code 457.

*Funding Policy.* Insofar as budgetary constraints permit, the Commission will contribute 25% of each permanent employee's taxable income, up to the maximum amount prescribed by law, into the State of Louisiana Deferred Compensation Fund. For the year ended June 30, 2014, the Commission's cost of benefits paid for employees in the program totaled \$154,898.

Complete disclosures relating to this statewide plan are available in the financial statement of the State of Louisiana.

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CERTIFIED PUBLIC ACCOUNTANTS

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HENRY L. SILVIA, C.P.A.

A.J. DUPLANTIER JR, C.P.A. (1919-1985)  
FELIX J. HRAPMANN, JR, C.P.A. (1919-1990)  
WILLIAM R. HOGAN, JR., CPA (1920-1996)  
JAMES MAHER, JR, C.P.A. (1921-1999)

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN  
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

August 14, 2014

Board of Commissioners  
Louisiana Motor Vehicle Commission  
Metairie, LA 70002

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the Louisiana Motor Vehicle Commission (the Commission), a component unit of the State of Louisiana, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the Commission's basic financial statements, and have issued our report dated August 14, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Louisiana Motor Vehicle Commission's internal control over financial reporting to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control. Accordingly, we do not express an opinion on the effectiveness of the Commission's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Commission's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

***Duplantier, Hrapmann, Hogan & Maher, LLP***

LOUISIANA MOTOR VEHICLE COMMISSION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
JUNE 30, 2014

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the financial statements of Louisiana Motor Vehicle Commission for the year ended June 30, 2014 was unmodified.
2. There were no significant deficiencies or material weaknesses required to be disclosed by *Government Auditing Standards*.
3. There were no instances of noncompliance considered material to the financial statements, as defined by *Government Auditing Standards*.

FINDINGS – FINANCIAL STATEMENTS AUDIT:

NONE

LOUISIANA MOTOR VEHICLE COMMISSION  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Original</u>	<u>Final</u>	<u>Actual</u>	Variance with Final Budget Favorable (Unfavorable)
REVENUES:				
Licenses, permits and fees	\$ 1,850,000	\$ 2,000,000	\$ 2,280,324	\$ 280,324
Fines and penalties	300,000	400,000	356,674	(43,326)
Interest income	1,200	1,200	1,078	(122)
Other revenues	500	500	980	480
Total Revenues	<u>2,151,700</u>	<u>2,401,700</u>	<u>2,639,056</u>	<u>237,356</u>
EXPENSES:				
Salaries and related benefits	1,275,000	1,399,000	1,338,850	60,150
Professional services	496,000	573,000	506,362	66,638
Operating services	170,000	157,500	131,882	25,618
Materials and supplies	32,000	44,000	47,238	(3,238)
Travel and other charges	35,000	54,000	46,346	7,654
Depreciation	25,000	34,000	30,295	3,705
Total Expenses	<u>2,033,000</u>	<u>2,261,500</u>	<u>2,100,973</u>	<u>160,527</u>
Net Change in Fund Balance	\$ <u>118,700</u>	\$ <u>140,200</u>	538,083	\$ <u>397,883</u>
Fund Balance, Beginning of Year			<u>788,900</u>	
Fund Balance, End of Year			<u>\$ 1,326,983</u>	

LOUISIANA MOTOR VEHICLE COMMISSION  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF COMMISSIONERS' PER DIEM  
JUNE 30, 2014

The Board of Commissioners' receive \$50 for each day of a regularly scheduled meeting they attend. The total amounts of per diem paid to Commissioners for the year ended June 30, 2014 is as follows:

<u>Commissioners</u>	<u>Number of Meetings</u>	<u>Amount</u>
Alexis D. Hocevar	12	\$ 600
Brian C. Bent	11	550
Don P. Hargroder	9	450
Donna S. Corley	7	350
Glenn Hayes	3	150
James Hicks	8	400
John W. Timmons	11	550
John Fabre	9	450
Joseph W. Westbrook	11	550
Joyce Collier Lacour	3	150
Landon Allen	3	150
Maurice C. Guidry	9	450
Philip E. Tarver	6	300
Thad J. Ryan, III	9	450
Troy J. Duhon	4	200
V. Price LeBlanc, Jr.	9	<u>450</u>
Total		<u>\$ 6,200</u>

LOUISIANA MOTOR VEHICLE COMMISSION  
STATE OF LOUISIANA  
Annual Financial Statements  
June 30, 2014

C O N T E N T S

Affidavits

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**The Appendices Packet is located as a separate packet on OSRAP's website at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>.**

STATE OF LOUISIANA  
Annual Financial Statements  
Fiscal Year Ended June 30, 2014

**Louisiana Motor Vehicle Commission**  
**3915 12<sup>th</sup> Street**  
**Metairie, LA 70002**

Division of Administration  
Office of Statewide Reporting  
and Accounting Policy  
P. O. Box 94095  
Baton Rouge, Louisiana 70804-9095

Legislative Auditor  
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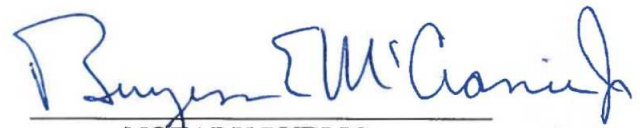
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1201 N. Third Street  
Claiborne Building, 6<sup>th</sup> Floor, Suite 6-130  
Baton Rouge, Louisiana 70802

Physical Address:  
1600 N. Third Street  
Baton Rouge, Louisiana 70802

AFFIDAVIT

Personally came and appeared before the undersigned authority, Lessie A. House, Executive Director, of Louisiana Motor Vehicle Commission who duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of Louisiana Motor Vehicle Commission at June 30, 2014 and the results of operations for the year then ended in accordance with policies and practices established by the Division of Administration or in accordance with Generally Accepted Accounting Principles as prescribed by the Governmental Accounting Standards Board. Sworn and subscribed before me, this 21<sup>st</sup> day of August, 2014.

  
Signature of Agency Official

  
NOTARY PUBLIC  
BURGESS E. MC RANIE  
#9172

Prepared by: Michelle Cunningham, CPA

Title: partner – Duplantier, Hrapmann, Hogan & Maher, LLP

Telephone No.: 504-586-8866

Date: August 14, 2014

Email Address: mcunningham@dhhmcpa.com

**STATE OF LOUISIANA**  
**LOUISIANA MOTOR VEHICLE COMMISSION**  
**STATEMENT OF NET POSITION**  
**AS OF JUNE 30, 2014**

**Statement A**

**CURRENT ASSETS**

Cash and Cash equivalents	\$	64,600
Certificate of Deposit		400,000
Investments		2,623,070
Derivative Instruments		
Receivables (net of allowance for doubtful accounts)(Note U)		
Due from other funds (Note Y)		
Due from federal government		
Inventories		
Prepayments		
Notes Receivable		
Other Current Assets		
Total current assets		3,087,670

**NONCURRENT ASSETS**

Restricted assets (Note F):		
Cash		
Investments		
Receivables		
Investments		
Notes Receivable		
Capital assets, net of depreciation (Note D)		
Land non-depreciable easements		97,200
Buildings and improvements		222,265
Machinery and equipment		56,359
Infrastructure		
Intangible assets		
Construction/Development-in-progress		
Other noncurrent assets		
Total noncurrent assets		375,824
Total assets	\$	3,463,494

**DEFERRED OUTFLOWS OF RESOURCES**

Accumulated decrease in fair value of hedging derivatives	\$	
Deferred amounts on debt refunding		
Adjustments of capital lease obligations		
Grants paid prior to meeting time requirements		
Intra-entity transfer of future revenues (transferee)		
Losses from sale-leaseback transactions		
Direct loan origination costs for mortgage loans held for sale		
Fees paid to permanent investors prior to sale of mortgage loans		
Total deferred outflow of resources	\$	-
Total assets and deferred outflow of resources	\$	3,463,494

**LIABILITIES**

**CURRENT LIABILITIES:**

Accounts payable and accruals (Note V)	\$	51,197
Derivative instrument		
Due to other funds (Note Y)		
Due to federal government		
Unearned revenues		1,649,830
Amounts held in custody for others		
Other current liabilities		37,733

**STATE OF LOUISIANA  
LOUISIANA MOTOR VEHICLE COMMISSION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2014**

**Statement A**

**Liabilities Con't**

Current portion of long-term liabilities: (Note K)	
Contracts payable	\$
Compensated absences payable	45,208
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	
Bonds payable (include unamortized costs)	
Other long-term liabilities	
Total current liabilities	1,783,968
NONCURRENT LIABILITIES	
Contracts payable	
Compensated absences payable	4,304
Capital lease obligations	
Claims and litigation payable	
Notes payable	
Pollution remediation obligation	
Bonds payable (include unamortized costs)	
OPEB payable	348,239
Other long-term liabilities	
Total noncurrent liabilities	352,543
Total liabilities	2,136,511
DEFERRED INFLOWS OF RESOURCES	
Accumulated increase in fair value of hedging derivatives	\$
Deferred amounts related to service concession arrangement	
<b>Deferred amounts of debt refunding</b>	
<b>Adjustments of capital lease obligations</b>	
<b>Grants received prior to meeting time requirements</b>	
<b>Property taxes received before the period of which the taxes were levied</b>	
<b>Fines and penalties received in advance of meeting time requirements</b>	
<b>Sales/intra-entity transfers of future revenues (transferor)</b>	
<b>Gains from sale-leaseback transactions</b>	
<b>Points received on loan origination</b>	
<b>Loan origination fees received for mortgage loans held for sale</b>	
Total deferred inflows of resources	-
<b>NET POSITION</b>	
Net investment in capital assets	375,824
Restricted for:	
Capital projects	
Debt service	
Unemployment compensation	
Other specific purposes	
Unrestricted	951,159
Total net position	1,326,983
Total liabilities, deferred inflows of resources, and net position	\$ 3,463,494

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA**  
**LOUISIANA MOTOR VEHICLE COMMISSION**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**FOR THE YEAR ENDED JUNE 30, 2014**

**Statement B**

<b>OPERATING REVENUE</b>	
Sales of commodities and services	\$ _____
Assessments	_____
Use of money and property	_____
Licenses, permits, and fees	2,636,998
Federal grants and contracts	_____
State, local and nongovernmental grants and contracts	_____
Other	980
Total operating revenues	2,637,978
<b>OPERATING EXPENSES</b>	
Cost of sales and services	_____
Administrative	2,070,678
Depreciation	30,295
Amortization	_____
Total operating expenses	2,100,973
Operating income(loss)	537,005
<b>NON-OPERATING REVENUES (EXPENSES)</b>	
State appropriations	_____
Intergovernmental revenues(expenses)	_____
Taxes	_____
Use of money and property	_____
Gain on disposal of fixed assets	_____
Loss on disposal of fixed assets	_____
Federal grants	_____
Interest expense	_____
Other revenue	1,078
Other expense	_____
Total non-operating revenues(expenses)	1,078
Income(loss) before contributions, extraordinary items, & transfers	538,083
Capital contributions	_____
Extraordinary item	_____
Transfers in	_____
Transfers out	_____
Change in net position	538,083
Total net position – beginning	788,900
Total net position – ending	\$ 1,326,983

The accompanying notes are an integral part of this financial statement.

**STATE OF LOUISIANA  
LOUISIANA MOTOR VEHICLE COMMISSION  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014**

**Statement C**

		Program Revenues		
		Charges for	Operating	Capital
	Expenses	Services	Grants and	Grants and
			Contributions	Contributions
				Net (Expense)
				Revenue and
				Changes in
				Net Position
Entity	\$ 2,100,973	\$ 2,636,998	\$	\$ 536,025
General revenues:				
Taxes				
State appropriations				
Grants and contributions not restricted to specific programs				
Interest				1,078
Miscellaneous				980
Special items				
Extraordinary item				
Transfers				
Total general revenues, special items, and transfers				2,058
Change in net assets				538,083
Net position - beginning as restated				788,900
Net position - ending				\$ 1,326,983

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA  
LOUISIANA MOTOR VEHICLE COMMISSION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Statement D  
(continued)**

**Cash flows from operating activities**

Cash receipts from customers	\$ 2,681,364	
Cash receipts from grants and contracts		
Cash receipts from interfund services provided		
Other operating cash receipts, if any	980	
Cash payments to suppliers for goods or services	(725,646)	
Cash payments to employees for services	(1,303,650)	
Cash payments for interfund services used, including payments "In Lieu of Taxes"		
Other operating cash payments, if any (* provide explanation)		
Net cash provided(used) by operating activities		653,048

**Cash flows from non-capital financing activities**

State Appropriations		
Federal receipts		
Federal disbursements		
Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Operating grants received		
Transfers in		
Transfers out		
Other (**provide explanation)		
Net cash provided(used) by non-capital financing activities		-

**Cash flows from capital and related financing activities**

Proceeds from sale of bonds		
Principal paid on bonds		
Interest paid on bond maturities		
Proceeds from issuance of notes payable		
Principal paid on notes payable		
Interest paid on notes payable		
Acquisition/construction of capital assets	(18,371)	
Proceeds from sale of capital assets		
Capital contributions		
Deposits with trustees		
Deferred proceeds from capital leases		
Net cash provided(used) by capital and related financing activities		(18,371)

**Cash flows from investing activities**

Purchases of investment securities	(610,647)	
Proceeds from sale of investment securities	1,078	
Interest and dividends earned on investment securities		
Net cash provided(used) by investing activities		(609,569)
Net increase(decrease) in cash and cash equivalents		25,108
Cash and cash equivalents at beginning of year		39,492
Cash and cash equivalents at end of year	\$	64,600

**STATE OF LOUISIANA  
LOUISIANA MOTOR VEHICLE COMMISSION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Statement D  
(concluded)**

**Reconciliation of operating income(loss) to net cash provided(used) by operating activities:**

Operating income(loss)		\$ <u>537,005</u>
Adjustments to reconcile operating income(loss) to net cash provided(used) by operating activities:		
Depreciation/amortization	<u>30,295</u>	
Provision for uncollectible accounts	<u></u>	
Other	<u></u>	
Changes in assets and liabilities:		
(Increase)decrease in accounts receivable, net	<u></u>	
(Increase)decrease in due from other funds	<u></u>	
(Increase)decrease in prepayments	<u></u>	
(Increase)decrease in inventories	<u></u>	
(Increase)decrease in other assets	<u></u>	
Increase(decrease) in accounts payable and accruals	<u>6,182</u>	
Increase(decrease) in compensated absences payable	<u>5,007</u>	
Increase(decrease) in due to other funds	<u></u>	
Increase(decrease) in deferred revenues	<u>44,366</u>	
Increase(decrease) in OPEB payable	<u>17,051</u>	
Increase(decrease) in other liabilities	<u>13,142</u>	
Net cash provided(used) by operating activities		\$ <u>653,048</u>

**Schedule of noncash investing, capital, and financing activities:**

Borrowing under capital lease(s)	\$ <u></u>
Contributions of fixed assets	<u></u>
Purchases of equipment on account	<u></u>
Asset trade-ins	<u></u>
Other (specify)	<u></u>
<u></u>	<u></u>
<u></u>	<u></u>
<u></u>	<u></u>
<b>Total noncash investing, capital, and financing activities:</b>	\$ <u><u>-</u></u>

The accompanying notes are an integral part of this statement.

**STATE OF LOUISIANA  
LOUISIANA MOTOR VEHICLE COMMISSION  
Notes to the Financial Statement  
As of and for the year ended June 30, 2014**

**INTRODUCTION**

The Louisiana Motor Vehicle Commission was created by the Louisiana State Legislature under the provisions of Louisiana Revised Statute 32:1251 et seq. and 6:969.1 et seq. The following is a brief description of the operations of Louisiana Motor Vehicle Commission's and includes the parish/parishes in which the Louisiana Motor Vehicle Commission is located:

**A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**BASIS OF ACCOUNTING**

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local governmental entities. The GASB has issued a Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification). This codification and subsequent GASB pronouncements are recognized as generally accepted accounting principles for state and local governments. The accompanying financial statements have been prepared in accordance with such principles.

The accompanying financial statements of Louisiana Motor Vehicle Commission present information only as to the transactions of the programs of the Louisiana Motor Vehicle Commission as authorized by Louisiana statutes and administrative regulations.

Basis of accounting refers to when revenues and expenses are recognized and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

The accounts of the Louisiana Motor Vehicle Commission are maintained in accordance with applicable statutory provisions and the regulations of the Division of Administration – Office of Statewide Reporting and Accounting Policy as follows:

**Revenue Recognition**

Revenues are recognized using the full accrual basis of accounting; therefore, revenues are recognized in the accounting period in which they are earned and become measurable.

**Expense Recognition**

Expenses are recognized on the accrual basis; therefore, expenses, including salaries, are recognized in the period incurred, if measurable.

**STATE OF LOUISIANA**  
**LOUISIANA MOTOR VEHICLE COMMISSION**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2014**

**B. BUDGETARY ACCOUNTING**

The appropriations made for the operations of the various programs of the Louisiana Motor Vehicle Commission are annual lapsing appropriations.

1. The budgetary process is an annual appropriation valid for one year.
2. The agency is prohibited by statute from over expending the categories established in the budget.
3. Budget revisions are granted by the Joint Legislative Committee on the Budget, a committee of the Louisiana Legislature. Interim emergency appropriations may be granted by the Interim Emergency Board.
4. The budgetary information included in the financial statements includes the original appropriation plus subsequent amendments as follows:

	<u>APPROPRIATIONS</u>
Original approved budget	\$ <u>2,151,700</u>
Amendments:	<u>250,000</u>
	<u>                    </u>
	<u>                    </u>
Final approved budget	\$ <u><u>2,401,700</u></u>

**C. DEPOSITS WITH FINANCIAL INSTITUTIONS AND INVESTMENTS** (If all agency cash and investments are deposited in the State Treasury, disregard Note C.) See Appendices Packet - Appendix A at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>, for information related to Note C.

**1. DEPOSITS WITH FINANCIAL INSTITUTIONS**

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. Under state law the Louisiana Motor Vehicle Commission may deposit funds within a fiscal agent bank selected and designated by the Interim Emergency Board. Further, the Louisiana Motor Vehicle Commission may invest in time certificates of deposit in any bank domiciled or having a branch office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks, and in share accounts and share certificate accounts of federally or state chartered credit unions.

For the purpose of the statement of cash flows and statement of net position presentation, all highly liquid investments (including negotiable CDs and restricted cash and cash equivalents) and deposits (including nonnegotiable CDs and restricted cash and cash

**STATE OF LOUISIANA**  
**LOUISIANA MOTOR VEHICLE COMMISSION**  
**Notes to the Financial Statement**  
**As of and for the year ended June 30, 2014**

equivalents) with a maturity of three months or less when purchased are considered to be cash equivalents.

Deposits in bank accounts are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These pledged securities are required to be held in the name of the pledging fiscal agent bank in a holding or custodial bank in the form of safekeeping receipts held by the State Treasurer.

GASB Statement 40, which amended GASB Statement 3, eliminated the requirement to disclose all deposits by three categories of risk. GASB Statement 40 requires only the disclosure of deposits that are considered to be exposed to custodial credit risk. An entity's deposits are exposed to custodial credit risk if the deposit balances are either 1) uninsured and uncollateralized, 2) uninsured and collateralized with securities held by the pledging financial institution, or 3) uninsured and collateralized with securities held by the pledging financial institution's trust department or agent, but not in the entity's name.

The deposits at June 30, 2014, consisted of the following:

	Cash	Nonnegotiable Certificates of Deposit	Other (Describe)	Total
Deposits per statement of net position (Reconciled bank balance)	\$ 64,600	\$ 400,000	\$ 2,623,070	\$ 3,087,670
Deposits in bank accounts per bank	\$ 87,818	\$ 400,000	\$ 2,623,070	\$ 3,110,888
Bank balances exposed to custodial credit risk:	\$	\$ 150,000	\$ 2,623,070	\$ 2,773,070
a. Uninsured and uncollateralized				
b. Uninsured and collateralized with securities held by the pledging institution		150,000	2,623,070	2,773,070
c. Uninsured and collateralized with securities held by the pledging institution's trust department or agent, but not in the entity's				

NOTE: The "Deposits in bank accounts per bank" will not necessarily equal the "Deposits per statement of net position" due to outstanding items.

**STATE OF LOUISIANA**  
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**Notes to the Financial Statement**  
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The following is a breakdown by banking institution, program, and amount of the “Deposits in bank accounts per bank” balances shown above:

<u>Banking Institution</u>	<u>Program</u>	<u>Amount</u>
JP Morgan Chase Bank	Checking	\$ 87,818
JP Morgan Chase Bank	CD	400,000
JP Morgan Chase Bank	Repurchase	2,623,070
total		\$ 3,110,888

Cash in State Treasury and petty cash are not required to be reported in the note disclosure. However, to aid in reconciling amounts reported on the statement of net position to amounts reported in this note, list below any cash in treasury and petty cash that are included on the statement of net position.

Cash in state treasury	\$	
Petty cash	\$	100

## 2. INVESTMENTS

The Louisiana Motor Vehicle Commission does maintain investment accounts as authorized by State Statute.

### Custodial Credit Risk

Investments can be exposed to custodial credit risk if the securities underlying the investment are uninsured, not registered in the name of the entity, and are either held by the counterparty or held by the counterparty’s trust department or agent, but not in the entity’s name. Repurchase agreements are not subject to credit risk if the securities underlying the repurchase agreement are exempt from credit risk disclosure. Using the following table, list each type of investment disclosing the total carrying amounts and market values, and any amounts exposed to custodial credit risk.

GASB Statement 40 amended GASB Statement 3 to eliminate the requirement to disclose all investments by three categories of risk. GASB Statement 40 requires only the separate disclosure of investments that are considered to be exposed to custodial credit risk. Those investments exposed to custodial credit risk are reported by type in one of two separate columns depending upon whether they are held by a counterparty, or held by a counterparty’s trust department or agent not in the entity’s name. In addition, the total reported amount and fair value columns still must be reported for total investments regardless of exposure to custodial credit risk.

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<u>Type of Investment</u>	<u>Investments Exposed to Custodial Credit Risk</u>		<u>All Investments Regardless of Custodial Credit Risk Exposure</u>	
	<u>Uninsured, *Unregistered, and Held by Counterparty</u>	<u>Uninsured, *Unregistered, and Held by Counterparty's Trust Dept. or Agent Not in Entity's Name</u>	<u>Reported Amount Per Statement of Net Position</u>	<u>Fair Value</u>
Negotiable CDs	\$	\$	\$ 400,000	\$ 400,000
Repurchase agreements			2,623,070	2,623,070
U.S. Government Obligations **				
U.S. Agency Obligations***				
Common & preferred stock				
Mortgages (including CMOs & MBSS)				
Corporate bonds				
Mutual funds				
Real estate				
External Investment Pool (LAMP) ****				
External Investment Pool (Other)				
Other: (identify)				
Total investments	\$ -	\$ -	\$ 3,023,070	\$ 3,023,070

\* Unregistered - not registered in the name of the government or entity

\*\* These obligations generally are not exposed to custodial credit risk because they are backed by the full faith and credit of the U.S. government. (See Appendices Packet, Appendix A, at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm> for the definition of US Government Obligations)

\*\*\* These obligations may not be exposed to custodial credit risk (See Appendix A in the Appendices Packet for a discussion of FNMA & FHLMC)

\*\*\*\* LAMP investments should not be included in deposits AND should be identified separately in this table to ensure LAMP investments are not double-counted on the State level.

**D. CAPITAL ASSETS – INCLUDING CAPITAL LEASE ASSETS**

The fixed assets used in the Special Purpose Government Engaged only in Business-Type Activities are included on the statement of net position of the entity and are capitalized at cost. Depreciation of all exhaustible fixed assets used by the entity is charged as an expense against operations. Depreciation for financial reporting purposes is computed by the straight line method over the useful lives of the assets.

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Schedule of Capital Assets (includes capital leases)

<u>Agency</u>	Balance 6/30/2013	Prior Period Adjustments	Restated Balance 6/30/2013	Additions	* Reclassifi- cation of CIP	** Retirements	Balance 6/30/2014
Capital assets not depreciated:							
Land	\$ 97,200	\$ -	\$ 97,200	\$ -	\$ -	\$ -	\$ 97,200
Non-depreciable land improvements	-	-	-	-	-	-	-
Non-depreciable easements	-	-	-	-	-	-	-
Capitalized collections	-	-	-	-	-	-	-
Software - development in progress	-	-	-	-	-	-	-
Construction in progress	-	-	-	-	-	-	-
Total capital assets not depreciated	\$ 97,200	\$ -	\$ 97,200	\$ -	\$ -	\$ -	\$ 97,200
Other capital assets:							
Depreciable land improvements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
** Accumulated depreciation	-	-	-	-	-	-	-
Total land improvements	-	-	-	-	-	-	-
Buildings	410,090	-	410,090	13,000	-	-	423,090
** Accumulated depreciation	(189,290)	-	(189,290)	(11,535)	-	-	(200,825)
Total buildings	220,800	-	220,800	1,465	-	-	222,265
Machinery & equipment	442,880	-	442,880	5,371	-	(65,885)	382,366
** Accumulated depreciation	(373,132)	-	(373,132)	(18,760)	-	65,885	(326,007)
Total machinery & equipment	69,748	-	69,748	(13,389)	-	-	56,359
Infrastructure	-	-	-	-	-	-	-
** Accumulated depreciation	-	-	-	-	-	-	-
Total infrastructure	-	-	-	-	-	-	-
Software (internally generated & purchased)	-	-	-	-	-	-	-
Other intangibles	-	-	-	-	-	-	-
** Accumulated amortization - software	-	-	-	-	-	-	-
** Accumulated amortization - other intangibles	-	-	-	-	-	-	-
Total intangibles	-	-	-	-	-	-	-
Total other capital assets	\$ 290,548	\$ -	\$ 290,548	\$ (11,924)	\$ -	\$ -	\$ 278,624
Capital asset summary:							
Capital assets not depreciated	\$ 97,200	\$ -	\$ 97,200	\$ -	\$ -	\$ -	\$ 97,200
Other capital assets, book value	852,970	-	852,970	18,371	-	(65,885)	805,456
Total cost of capital assets	950,170	-	950,170	18,371	-	(65,885)	902,656
Accumulated depreciation/amortization	(562,422)	-	(562,422)	(30,295)	-	65,885	(526,832)
Capital assets, net	\$ 387,748	\$ -	\$ 387,748	\$ (11,924)	\$ -	\$ -	\$ 375,824

\* Should only be used for those completed projects coming out of construction-in-progress to capital assets.

\*\* Enter a negative number except for accumulated depreciation in the retirement column

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**LOUISIANA MOTOR VEHICLE COMMISSION**  
**Notes to the Financial Statement**  
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If other intangible assets were reported in the table above, list the types of intangible assets, their cost, and accumulated amortization for each type of intangible assets reported.

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**E. INVENTORIES - NONE**

**F. RESTRICTED ASSETS - NONE**

**G. LEAVE**

**1. COMPENSATED ABSENCES**

The Louisiana Motor Vehicle Commission has the following policy on annual and sick leave:  
(Describe leave policy.)

Employees earn and accumulate annual and sick leave at various rates depending on their years of service. The amount of annual and sick leave that may be accumulated by each employee is unlimited. Upon termination, employees or their heirs are compensated for up to 300 hours of unused annual leave at the employee's hourly rate of pay at the time of termination. Upon retirement, unused annual leave in excess of 300 hours plus unused sick leave is used to compute retirement benefits.

The cost of leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current year expenditure in the fund when leave is actually taken; it is recognized in the enterprise funds when the leave is earned. The cost of leave privileges applicable to general government operations not requiring current resources is recorded in long-term obligations.

**H. RETIREMENT SYSTEM**

Substantially all of the employees of the Louisiana Motor Vehicle Commission are members of the Louisiana State Employees Retirement System (LASERS), a single employer defined benefit pension plan. The System is a statewide public employee retirement system (PERS) for the benefit of state employees, which is administered and controlled by a separate board of trustees. (Note: If LASERS is not your entity's retirement system, indicate the retirement system that is and replace any wording in this note that doesn't apply to your retirement system with the applicable wording.)

All full-time Louisiana Motor Vehicle Commission employees are eligible to participate in the System unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS. Normal benefits vest with 10 years of service.

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Generally, retirement age employees are entitled to annual benefits equal to \$300 plus 2.5% of their highest consecutive 36 months' average salary multiplied by their years of credited service except for members eligible to begin participation in the Defined Benefit Plan (DBP) on or after July 1, 2006.

Act 75 of the 2005 Regular Session changes retirement eligibility and final average compensation for members who are eligible to begin participation in the DBP beginning July 1, 2006. Retirement eligibility for these members is limited to age 60, or thereafter, upon attainment of ten years of creditable service. Final average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment.

Vested employees eligible to begin participation in the DBP before July 1, 2006, are entitled to a retirement benefit, payable monthly for life at (a) any age with 30 years of service, (b) age 55 with 25 years of service, or (c) age 60 with 10 years of service. In addition, these vested employees have the option of reduced benefits at any age with 20 years of service. Those hired on or after July 1, 2006 have only a single age option. They cannot retire until age 60 with a minimum of 10 years of service. The System also provides death and disability benefits and deferred benefit options, with qualifications and amounts defined by statute. Benefits are established or amended by state statute. The System issues a publicly available annual financial report that includes financial statements and required supplementary information for the System. For a full description of the LASERS defined benefit plan, please refer to the LASERS 2013 Financial Statements, specifically, footnotes A – Plan Description and C – Contributions. A copy of the report may be obtained by writing to the Louisiana State Employees Retirement System, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (225) 922-0600 or (800) 256-3000. The footnotes to the Financial Statements contain additional details and are also available on-line at:

[http://www.lasersonline.org/uploads/CAFR\\_2013.pdf](http://www.lasersonline.org/uploads/CAFR_2013.pdf)

All members are required by state statute to contribute with the vast majority of employees of the state who became members before July 1, 2006 contributing 7.5% of gross salary. Act 75 of the 2005 Regular Session increases the member contribution rate from 7.5% to 8% for new members hired after June 30, 2006. The (BTA) is required to contribute at an actuarially determined rate as required by R.S. 11:102. The contribution rate for the fiscal year ended June 30, 2014, increased to 31.3% of annual covered payroll from the 29.1% and 25.6% required in fiscal years ended June 30, 2013 and 2012 respectively. The Louisiana Motor Vehicle Commission contributions to the System for the years ending June 30, 2014, 2013, and 2012, were \$195,643, \$176,038, and \$151,977, respectively, equal to the required contributions for each year.

**I. OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

GASB Statement 43, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* addresses accounting and financial reporting for OPEB trust and agency funds of the employer. GASB Statement 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other than Pensions* establishes standards of accounting and financial reporting for OPEB expense/expenditures and related OPEB liabilities or OPEB assets, note disclosures, and required supplementary information (RSI) in the financial reports of governmental employers. See the GASB Statement 45 note disclosures requirements in section 2 of this note.

**1. Calculation of Net OPEB Obligation**

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Complete the following table for only the net OPEB obligation (NOO) related to OPEB administered by the Office of Group Benefits. The ARC, NOO at the beginning of the year, interest, ARC adjustment, and Annual OPEB Expense have been computed for OGB participants (see OSRAP's website - <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>) and select "GASB 45 OPEB Valuation Report as of July 1, 2013, to be used for fiscal year ending June 30, 2014." Report note disclosures for other plans, not administered by OGB, separately.

Annual OPEB expense and net OPEB Obligation	
Fiscal year ending	6/30/2014
1. * ARC	101,559
2. * Interest on NOO	13,248
3. * ARC adjustment	19,153
4. * Annual OPEB Expense (1. + 2. - 3.)	95,654
5. Contributions (employer pmts. to OGB for retirees' cost of 2014 insurance premiums)	78,603
6. Increase in Net OPEB Obligation (4. - 5.)	17,051
7. *NOO, beginning of year (see actuarial valuation report on OSRAP's website)	331,188
8. **NOO, end of year (6. + 7.)	348,239

\*This must be obtained from the OSRAP website on the spreadsheet "GASB 45 OPEB Valuation Report as of July 1, 2013, to be used for fiscal year ending June 30, 2014."

\*\*This should be the same amount as that shown on the statement of net position for the year ended June 30, 2014 if your entity's only OPEB is administered by OGB.

For more information on calculating the net OPEB obligation, see the Appendices Packet, Appendix D, at <http://www.doa.louisiana.gov/OSRAP/afrpackets.htm>.

**J. LEASES - NONE**

**K. LONG-TERM LIABILITIES**

The following is a summary of long-term debt transactions of the entity for the year ended June 30, 2014:

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	<u>Year ended June 30, 2014</u>			Balance June 30, 2014	Amounts due within one year
	Balance June 30, 2013	Additions	Reductions		
<b>Notes and bonds payable:</b>					
Notes payable	\$	\$	\$	\$ -	\$
Bonds payable				-	
Total notes and bonds	-	-	-	-	-
<b>Other liabilities:</b>					
Contracts payable				-	
Compensated absences payable	44,505	54,532	49,525	49,512	4,304
Capital lease obligations				-	
Claims and litigation				-	
Pollution remediation obligation				-	
OPEB payable	331,188	17,051		348,239	
Other long-term liabilities				-	
Total other liabilities	375,693	71,583	49,525	397,751	4,304
Total long-term liabilities	\$ 375,693	\$ 71,583	\$ 49,525	\$ 397,751	\$ 4,304

(Balances at June 30<sup>th</sup> should include current and non-current portion of L-T liabilities.)  
(Send OSRAP a copy of the amortization schedule for any new debt issued.) The totals must equal the statement of net position for each type of long-term liabilities.

**L. CONTINGENT LIABILITIES - NONE**

**M. RELATED PARTY TRANSACTIONS - NONE**

**N. ACCOUNTING CHANGES - NONE**

**O. IN-KIND CONTRIBUTIONS - NONE**

**P. DEFEASED ISSUES - NONE**

**Q. REVENUES – PLEDGED OR SOLD (GASB 48) - NONE**

**R. GOVERNMENT-MANDATED NONEXCHANGE TRANSACTIONS (GRANTS) - NONE**

**STATE OF LOUISIANA**  
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**S. VIOLATIONS OF FINANCE-RELATED LEGAL OR CONTRACTUAL PROVISIONS - NONE**

**T. SHORT-TERM DEBT - NONE**

**U. DISAGGREGATION OF RECEIVABLE BALANCES - NONE**

**V. DISAGGREGATION OF PAYABLE BALANCES**

Payables at June 30, 2014, were as follows:

Fund	Vendors	Salaries and Benefits	Accrued Interest	Other Payables	Total Payables
	\$ 51,197	\$ 37,733	\$	\$	\$ 88,930
					-
Total payables	\$ 51,197	\$ 37,733	\$ -	\$ -	\$ 88,930

**W. SUBSEQUENT EVENTS - NONE**

**X. SEGMENT INFORMATION & REPORTING FUNDS OF A BLENDED COMPONENT UNIT - NONE**

**Y. DUE TO/DUE FROM AND TRANSFERS - NONE**

**Z. LIABILITIES PAYABLE FROM RESTRICTED ASSETS - NONE**

**AA. PRIOR-YEAR RESTATEMENT OF NET POSITION - NONE**

**BB. ASSETS RESTRICTED BY ENABLING LEGISLATION (GASB 46) - NONE**

**CC. IMPAIRMENT OF CAPITAL ASSETS & INSURANCE RECOVERIES - NONE**

**DD. EMPLOYEE TERMINATION BENEFITS - NONE**

**STATE OF LOUISIANA  
LOUISIANA MOTOR VEHICLE COMMISSION  
Notes to the Financial Statement  
As of and for the year ended June 30, 2014**

**EE. POLLUTION REMEDIATION OBLIGATIONS - NONE**

**FF. AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) - NONE**

**GG. RESTRICTED ASSETS – OTHER SPECIFIC PURPOSES - NONE**

**HH. SERVICE CONCESSION ARRANGEMENTS - NONE**

**II. NONEXCHANGE FINANCIAL GUARANTEES (GASB 70) - NONE**

**STATE OF LOUISIANA  
LOUISIANA MOTOR VEHICLE COMMISSION  
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS  
JUNE 30, 2014  
(Fiscal close)**

Name	Amount
<u>Alexis D. Hocevar</u>	\$ <u>600</u>
<u>Brian C. Bent</u>	<u>550</u>
<u>Don P. Hargroder</u>	<u>450</u>
<u>Donna S. Corley</u>	<u>350</u>
<u>Glenn Hayes</u>	<u>150</u>
<u>James Hicks</u>	<u>400</u>
<u>John W. Timmons</u>	<u>550</u>
<u>John Fabre</u>	<u>450</u>
<u>Joseph W. Westbrook</u>	<u>550</u>
<u>Joyce Collier Lacour</u>	<u>150</u>
<u>Landon Allen</u>	<u>150</u>
<u>Maurice C. Guidry</u>	<u>450</u>
<u>Phillip E. Tarver</u>	<u>300</u>
<u>Thad J. Ryan, III</u>	<u>450</u>
<u>Troy J. Duhon</u>	<u>200</u>
<u>V. Price LeBlanc, Jr.</u>	<u>450</u>
Total	\$ <u><u>6,200</u></u>

Note: The per diem payments are authorized by Louisiana Revised Statute, and are presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature.

SCHEDULE 1

To assist OSRAP in determining the reason for the change in financial position for the State, please complete the schedule below. If the change is greater than **\$5 million**, explain the reason for the change. **Please provide adequate details to clearly explain the change from last year.**

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